

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

ALTON REAL ESTATE, INC., *et al.*,

Defendants.

Civil No. 18 C 5625

District Judge: Hon. John J. Tharp, Jr.

Magistrate Judge: Hon. Mary M. Rowland

RECEIVER'S REPORT

In accordance with Paragraph 34(b) and (c) of this Court's Final Order Appointing the Receiver [Docket No. 17], as amended [Docket No. 67], Long Hill at Rosewood, LLC hereby files the Receiver's Report, which is attached hereto.

Respectfully Submitted,

GREENBERG TRAURIG, LLP

Date: January 7, 2021

By: /s/ Nancy A. Peterman

Nancy A. Peterman, Esq. (IL ARDC #6208120)

Scott T. Mendeloff, Esq. (IL ARDC #6184901)

Gabriel Aizenberg, Esq. (IL ARDC #6236614)

GREENBERG TRAURIG, LLP

77 West Wacker Drive, Suite 3100

Chicago, IL 60601

Telephone: (312) 456-8400

Facsimile: (312) 456-8435

petermann@gtlaw.com

mendeloffs@gtlaw.com

aizenbergg@gtlaw.com

*Attorney for the Receiver, Long Hill at
Rosewood, LLC*

Long Hill at Rosewood, LLC

January 7, 2021

Honorable John J. Tharp, Jr.
United States District Court for the
Northern District of Illinois, Eastern Division
South Dearborn Street
Chicago, IL 60604

Re: United States of America v.
Alton Real Estate, Inc., et al. (Case 1:18-cv-05625)

Dear Judge Tharp:

In accordance with the Final Order Appointing Receiver entered on September 7, 2018 (including any amendments and modifications thereto, the “Order”), Long Hill at Rosewood, LLC (“LHR”) is serving as receiver for Alton Real Estate, Inc. et al. (collectively, “Rosewood”). The following report is in compliance with Paragraph 34(b) of the Order.

As of 12:01 a.m. (CT) on February 1, 2020 (“Closing Date”), LHR, on behalf of Rosewood and upon regulatory approval by Illinois and Missouri Departments of Health, transferred operations of the Rosewood facilities to affiliates of Greystone Healthcare Management Corp. (collectively, “Transferee”) in accordance with the operating transfer agreements (one for each operating entity, collectively, the “OTAs”).

On January 6, 2021, the Receiver filed a motion for termination of the receivership effective as of the end of the day on January 31, 2021. As of that time, the Receiver will have completed all of its obligations under the Order and the OTAs and there will no longer be a need for this receivership. The Department of Housing and Urban Development (“HUD”) has agreed to the motion. The Receiver will continue to pursue the matters discussed herein until the receivership and the Receiver’s appointment is terminated.

Please note this report is focused on wind-down activities as communicated to HUD in a letter dated January 30, 2020 attached hereto as Supplemental Schedule D. This report provides an update of open items since the last report filed with the Court on December 7, 2020.

1. Notice of collection of receivership accounts receivable.
 - Post-closing collections have totaled \$13,484,004 through December 31, 2020.
 - Total collections for the 12-month post-closing period had previously been estimated to be in the range of \$13,200,000 to \$13,500,000. Based on a review of accounts receivable, it is estimated that the collections in the 12-month post-closing period will be at the high end of this range.

- LHR, with assistance from MAS outside legal counsel, is working with an Illinois Department of Healthcare and Family Services (“DHFS”) representative to investigate the status of a small number of open Medicaid pending claim applications. These six open Medicaid pending claims could result in the receipt of all or a portion of the approximately \$200,000 receivable amount. LHR is anticipating DHFS will be able to review and provide an update of payment status within the next few weeks and the Receiver will attempt to resolve this matter prior to its termination.
 - The Capital Finance, LLC line of credit was repaid in full on June 12, 2020. Upon repayment of the Capital Finance, LLC line of credit, HUD was entitled to receive all accounts receivable cash collections, which collections totaled \$1,367,185 as of December 31, 2020. This amount has not been paid to HUD but is instead being used to process ongoing vendor payments and receiver administration costs. Upon payment of all such amounts, any remaining cash will be paid to HUD. Notwithstanding the foregoing, as noted in Attachment C, an amount of \$100,000 was paid to HUD on September 4, 2020.
 - In accordance with Section 8.2(b) of the OTAs, on the 91st day after the Closing Date, Transferee could begin sweeping deposits from the Rosewood bank accounts to accounts controlled by Transferee and assume responsibility for reconciling cash collections. This process is not yet implemented. On November 19, 2020, a draft instruction letter to the Rosewood bank was reviewed by LHR legal counsel and sent to Transferee for their review and signature prior to being signed by LHR and sent to the Rosewood bank. As of this writing, the letter has not been signed by Transferee. Until this letter is signed or termination of the Receiver, LHR will continue to perform the weekly cash reconciliations as noted below in Note 3.
2. Termination of Midwest Administrative Services (“MAS”) staff as warranted based upon workload and office lease termination.
- Two MAS employees continued to work on various post-closing assignments through December 31, 2020. Their employment was terminated as of that date. They currently have contractor agreements in place in order to assist with remaining wind-down activities. Three other terminated MAS employees also have contractor agreements in place and they continue to assist with ongoing wind-down activities with minimal hours incurred.
3. Preparation of ongoing reconciliations of accounts receivable with Transferee
- Accounts receivable reconciliations are ongoing and have included the following:
 - Reconciliation of cash receipts for amounts due to Transferee or HUD.
4. Processing vendor claims during receivership period.
- Receivership accounts payable vendor expenses of approximately \$68,764,000 have been processed in the receivership period of August 21, 2018 through December 31, 2020.
 - No pre-receivership claims have been processed, except for employee-related expenses and certain required vendor payments as previously reported to this Court.

5. Preparation of final accounting for the receivership.
 - Accounting closings are ongoing.
 - See Note 8 for a listing of supplemental schedules.
6. Noticing claimants, as required.
 - To be completed as necessary.
7. Managing unforeseen receivership matters, as necessary, in order to successfully close the receivership and discharge receiver duties under the Final Order.
 - Cooperation of MAS and Transferee billing staff has continued, and various administrative issues have been satisfactorily resolved between LHR and Transferee.
 - Weekly reports and communications with HUD Representatives continue.
8. Additional supplemental schedules included as attachments to this report:
 - A. Bank Account Listing
 - B. Schedule of Receipts and Disbursements
 - C. Schedule of HUD Advances
 - D. The Long Hill Company Letter Dated January 30, 2020 to HUD

Respectfully,

LONG HILL AT ROSEWOOD, LLC,
in its capacity as receiver for Rosewood



By:

David M. Lawlor
President

Attachments

Long Hill at Rosewood, LLC

Bank Account Listing

Comparative EOD 8/20/18 and Last (3) Months - (Bank Statements Available Upon Request)

Receiver Period: EOD 8/20/18, 9/30/2020, 10/31/2020 & 11/30/2020

COMPANY	TYPE	BANK NAME	ACCOUNT BALANCE EOD 8/20/2018	ACCOUNT BALANCE EOD 9/30/2020	ACCOUNT BALANCE EOD 10/31/2020	ACCOUNT BALANCE EOD 11/30/2020
BRAVO HOLDING COMPANY INC	CHECKING	ST LOUIS BANK	\$ 855.00	\$ (76.86)	\$ (240.29)	\$ 57.19
BRAVO HOLDING COMPANY INC	MONEY MARKET	ST LOUIS BANK	1,257.40	1,260.17	1,260.28	1,260.38
BRAVO HOLDING COMPANY INC	EE WELFARE FUND ESCROW	ST LOUIS BANK	500.00	500.00	500.00	500.00
BRAVO HOLDING COMPANY INC	ROSEWOOD PAYROLL RESERVE	ST LOUIS BANK	-	-	-	-
BRAVO SERVICES LLC	CHECKING	ST LOUIS BANK	508.21	-	-	-
BRAVO CARE OF ALTON	CHECKING	ST LOUIS BANK	2,552.56	229.56	23.53	694.62
BRAVO CARE OF ALTON	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF ALTON	PRIVATE PAYMENTS	ST LOUIS BANK	5,766.00	-	-	-
BRAVO CARE OF ALTON	FACILITY OPERATING	REGIONS BANK	858.00	685.00	685.00	685.00
BRAVO CARE OF EAST PEORIA	CHECKING	ST LOUIS BANK	1,568.37	162.28	715.21	4.59
BRAVO CARE OF EAST PEORIA	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF EAST PEORIA	PRIVATE PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF EAST PEORIA	FACILITY OPERATING	MORTON COMM BANK	1,265.62	2,692.18	2,692.18	2,692.18
BRAVO CARE OF EDWARDSVILLE	CHECKING	ST LOUIS BANK	1,979.45	1,263.46	514.15	238.91
BRAVO CARE OF EDWARDSVILLE	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF EDWARDSVILLE	PRIVATE PAYMENTS	ST LOUIS BANK	1,080.00	-	-	-
BRAVO CARE OF EDWARDSVILLE	FACILITY OPERATING	US BANK	434.00	297.90	297.90	297.90
BRAVO CARE OF ELGIN	CHECKING	ST LOUIS BANK	1,845.83	62.02	104.92	158.89
BRAVO CARE OF ELGIN	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF ELGIN	PRIVATE PAYMENTS	ST LOUIS BANK	805.10	-	-	-
BRAVO CARE OF ELGIN	FACILITY OPERATING	JPMORGAN CHASE	-	-	-	-
BRAVO CARE OF ELGIN OPERATOR CONCENTRATION	OPERATOR CONCENTRATION	ST LOUIS BANK	219,106.74	-	-	7,067.97
BRAVO CARE OF ELGIN OPERATOR OPERATING	OPERATOR OPERATING	ST LOUIS BANK	287,897.36	72,327.57	130,164.34	328,039.67
CR FINANCE II	RENTAL ACCOUNT	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF INVERNESS	CHECKING	ST LOUIS BANK	1,378.48	579.07	1,071.84	648.33
BRAVO CARE OF INVERNESS	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF INVERNESS	PRIVATE PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF INVERNESS	FACILITY OPERATING	MB FINANCIAL BANK	516.00	383.00	383.00	383.00
BRAVO CARE OF JOLIET	CHECKING	ST LOUIS BANK	1,295.86	54.27	151.85	129.28
BRAVO CARE OF JOLIET	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF JOLIET	PRIVATE PAYMENTS	ST LOUIS BANK	8,643.28	-	-	-
BRAVO CARE OF JOLIET	FACILITY OPERATING	FIRST MIDWEST	870.06	409.22	409.22	409.22
BRAVO CARE OF MOLINE	CHECKING	ST LOUIS BANK	1,190.56	417.32	234.76	74.22
BRAVO CARE OF MOLINE	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF MOLINE	PRIVATE PAYMENTS	ST LOUIS BANK	2,335.79	-	-	-
BRAVO CARE OF MOLINE	FACILITY OPERATING	US BANK	1,220.24	1,047.50	1,047.50	1,047.50
BRAVO CARE OF NORTHBROOK	CHECKING	ST LOUIS BANK	1,385.44	696.20	142.99	436.16
BRAVO CARE OF NORTHBROOK	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF NORTHBROOK	PRIVATE PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF NORTHBROOK	FACILITY OPERATING	US BANK	-	683.00	683.00	683.00
BRAVO CARE OF PEORIA	CHECKING	ST LOUIS BANK	1,404.12	1,492.04	1,110.28	906.07
BRAVO CARE OF PEORIA	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF PEORIA	PRIVATE PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF PEORIA	FACILITY OPERATING	PNC BANK	-	866.81	866.81	866.81
BRAVO CARE OF ROCKFORD	CHECKING	ST LOUIS BANK	2,097.18	473.15	179.82	228.27
BRAVO CARE OF ROCKFORD	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF ROCKFORD	PRIVATE PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF ROCKFORD	FACILITY OPERATING	US BANK	420.21	1,819.01	1,819.01	1,819.01
BRAVO CARE OF ST CHARLES	CHECKING	ST LOUIS BANK	1,053.43	277.14	256.83	(8.62)
BRAVO CARE OF ST CHARLES	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF ST CHARLES	PRIVATE PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF ST CHARLES	FACILITY OPERATING	JPMORGAN CHASE	1,067.00	1,058.00	1,058.00	1,058.00
BRAVO CARE OF ST LOUIS	CHECKING	ST LOUIS BANK	1,807.85	677.03	164.54	151.64
BRAVO CARE OF ST LOUIS	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF ST LOUIS	PRIVATE PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF ST LOUIS	FACILITY OPERATING	US BANK	500.20	660.20	660.20	660.20
BRAVO CARE OF WOOD RIVER	CHECKING	ST LOUIS BANK	1,690.23	236.25	128.93	(37.04)
BRAVO CARE OF WOOD RIVER	GOVERNMENT PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF WOOD RIVER	PRIVATE PAYMENTS	ST LOUIS BANK	-	-	-	-
BRAVO CARE OF WOOD RIVER	FACILITY OPERATING	US BANK	-	2,259.81	2,259.81	2,259.81
BRAVO ADMINISTRATIVE SERVICES	CHECKING	ST LOUIS BANK	1,897.24	1,373.86	1,278.91	473.71
BRAVO NURSING HOME SERVICES	CHECKING	ST LOUIS BANK	1,838.91	1,854.13	1,759.20	1,664.26
SENIOR LIVING SERVICES	CHECKING	ST LOUIS BANK	2,441.47	2,076.54	1,981.09	1,886.06
BTH	CHECKING	ST LOUIS BANK	1,122.95	-	-	-
TEAM HEALTH LLC	CHECKING	ST LOUIS BANK	1,407.44	6,027.03	5,131.19	4,923.89

Long Hill at Rosewood, LLC

Bank Account Listing

Comparative EOD 8/20/18 and Last (3) Months - (Bank Statements Available Upon Request)

Receiver Period: EOD 8/20/18, 9/30/2020, 10/31/2020 & 11/30/2020

COMPANY	TYPE	BANK NAME	ACCOUNT BALANCE EOD 8/20/2018	ACCOUNT BALANCE EOD 9/30/2020	ACCOUNT BALANCE EOD 10/31/2020	ACCOUNT BALANCE EOD 11/30/2020
MIDWEST ADMINISTRATIVE SERVICES	ELECTRONIC PMTS	ST LOUIS BANK	1,499.03	56,990.77	56,961.67	56,790.87
MIDWEST ADMINISTRATIVE SERVICES	CHECKING	ST LOUIS BANK	967.63	29,553.48	7,594.28	20,353.51
CLAIMS ADMINISTRATIVE SERVICES	CHECKING	ST LOUIS BANK	1,788.93	103.98	8.16	12.50
BLUE RIDGE AMERICA	CHECKING	ST LOUIS BANK	5,219.23	-	-	-
Alton Venture Real Estate LLC (VA 59)	[1]	ST LOUIS BANK	10.00	-	-	-
East Peoria Venture Real Estate, LLC (VE 61)	[1]	ST LOUIS BANK	10.00	-	-	-
Joliet Venture Real Estate, LLC (VJ 62)	[1]	ST LOUIS BANK	10.00	-	-	-
Moline Venture Real Estate, LLC (VM 83)	[1]	ST LOUIS BANK	10.00	-	-	-
Peoria Venture Real Estate, LLC (VP 85)	[1]	ST LOUIS BANK	10.00	-	-	-
Schuetz Road Venture Real Estate, LLC (VS 58)	[1]	ST LOUIS BANK	10.00	-	-	-
Wood River Venture Real Estate, LLC (VW 63)	[1]	ST LOUIS BANK	10.00	-	-	-
Alton Real Estate, Inc. (A1 01)		ST LOUIS BANK	296.55	156.21	156.21	156.21
East Peoria Real Estate, Inc. (EP 03)		ST LOUIS BANK	426.27	779.01	799.01	799.01
Edwardsville Real Estate, LLC. (ED 04)		ST LOUIS BANK	268.22	758.79	748.79	738.79
Elgin Real Estate, LLC. (EL 05)		ST LOUIS BANK	119.57	417.57	407.57	397.57
Inverness Real Estate, LLC. (IN 08)		ST LOUIS BANK	766.93	320.93	310.93	300.93
Joliet Real Estate Holding Co., Inc. (JO 09)		ST LOUIS BANK	408.25	441.63	441.63	441.63
Moline Real Estate, Inc. (MO 10)		ST LOUIS BANK	99.31	596.31	596.31	596.31
Northbrook Real Estate, LLC. (NO 11)		ST LOUIS BANK	5.55	117.05	107.05	97.05
Peoria Real Estate, Inc. (PE 12)		ST LOUIS BANK	118.94	908.94	898.94	888.94
Rockford Real Estate, LLC. (RO 13)		ST LOUIS BANK	-	36.35	36.35	36.35
St Charles Real Estate, LLC. (SC 14)		ST LOUIS BANK	384.16	84.67	84.67	84.67
Schuetz Road Real Estate, Inc. (SL 15)		ST LOUIS BANK	426.56	158.59	148.59	138.59
Wood River Real Estate Holding Company (WO 17)		ST LOUIS BANK	7.88	207.32	197.32	187.32
OPCO Holding, LLC (OH 21)		ST LOUIS BANK	500.00	-	-	-
Rosewood Administrative Holding, LLC (RA 22)		ST LOUIS BANK	500.00	-	-	-
Services Holdings, LLC (SH 23)		ST LOUIS BANK	500.00	-	-	-
Balance per Bank			\$ 580,236.59	\$ 196,455.46	\$ 228,993.48	\$ 444,380.33
Less: Elgin Operator Concentration Acct-Sweeps to MidCap/Cap Finance/Operating Account Next Day			(219,106.74)	-	-	(7,067.97)
Balance per Bank, Operating Cash			\$ 361,129.85	\$ 196,455.46	\$ 228,993.48	\$ 437,312.36
NOTE: There are (2) additional bank accounts at St. Louis Bank listed below which are not used for operations, but are under the control of the Receiver.						
BRAVO CARE OF ST LOUIS	RESIDENT TRUST FUND	ST LOUIS BANK	\$ 36,756.17	\$ 39,411.95	\$ 41,396.57	\$ 42,963.25
MIDWEST ADMINISTRATIVE SERVICES	COMPANY BENEFITS	ST LOUIS BANK	\$ 6,347.55	\$ 1,209.81	\$ 1,209.81	\$ 1,209.81

[1] Account Closed November 2019

Long Hill at Rosewood, LLC
Schedule of Receipts and Disbursements
Receiver Period 8/21/18 - 11/30/2020

	8/21 - 9/30/18	Q4 2018 10/1 - 12/31/18	Q1 2019 1/1 - 3/31/19	Q2 2019 4/1 - 6/30/19	Q3 2019 7/1 - 9/30/19	Q4 2019 10/1 - 12/31/19	Q1 2020 1/1 - 3/31/2020	Q2 2020 4/1 - 6/30/2020	Q3 2020 7/1 - 9/30/2020	10/1 - 10/31/2020	11/1 - 11/30/2020
Bank Balance Beginning of Period	\$ 580,237	\$ 2,057,227	\$ 1,549,038	\$ 1,817,262	\$ 611,748	\$ 3,139,010	\$ 2,028,186	\$ 1,786,013	\$ 2,314,259	\$ 196,455	\$ 228,993
Less: Elgin Concentration Acct (Sweeps to MidCap/Cap Finance)	(219,107)	(607,765)	(407,716)	(330,391)	(159,721)	(374,230)	(440,682)	\$ (23,880)	\$ (87,693)	-	-
Bank Balance Beginning of Period	<u>\$ 361,130</u>	<u>\$ 1,449,462</u>	<u>\$ 1,141,322</u>	<u>\$ 1,486,871</u>	<u>\$ 452,027</u>	<u>\$ 2,764,779</u>	<u>\$ 1,587,504</u>	<u>\$ 1,762,133</u>	<u>\$ 2,226,566</u>	<u>\$ 196,455</u>	<u>\$ 228,993</u>
Less: Amounts Due To Transferee and Cap Finance Beginning of Period									(1,511,238)	(16,694)	(4,776)
Bank Balance Beginning of Period, Operating Cash									<u>\$ 715,328</u>	<u>\$ 179,762</u>	<u>\$ 224,218</u>
Summary of Receipts:											
Transfers in from Galesburg/MidCap Galesburg Payments	\$ -	\$ 345,691	\$ 459,093	\$ 264,942	\$ 34,664	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MidCap/Capital Finance Draws	6,781,000	20,329,000	18,985,000	22,250,000	22,435,000	21,005,000	9,080,000	-	-	-	-
HUD Funding/(Funds Return to HUD)	2,815,275	4,925,976	6,044,899	3,434,786	5,279,866	5,414,257	7,228,916	1,503,434	(100,000)	-	-
HUD Accounts Receivable Cash Receipts-Post Cap Finance Payoff June 12, 2020	-	-	-	-	-	-	-	296,710	627,742	127,532	255,476
Miscellaneous Cash Receipts [1]	-	-	-	-	-	-	-	439,120	48,354	35,929	65,418
Total Receipts	<u>\$ 9,596,275</u>	<u>\$ 25,600,667</u>	<u>\$ 25,488,992</u>	<u>\$ 25,949,729</u>	<u>\$ 27,749,530</u>	<u>\$ 26,419,257</u>	<u>\$ 16,308,916</u>	<u>\$ 2,239,264</u>	<u>\$ 576,097</u>	<u>\$ 163,460</u>	<u>\$ 320,894</u>
Summary of Disbursements:											
Accounts Payable											
Accounts Payable Vendors	\$ 2,507,684	\$ 11,483,055	\$ 11,215,976	\$ 12,503,117	\$ 10,721,062	\$ 11,858,266	\$ 6,535,816	\$ 889,538	\$ 821,457	\$ 71,453	\$ 57,991
Payroll Taxes (FICA, State, SUTA, FUTA)	1,518,229	3,202,690	3,288,539	3,120,612	3,711,619	3,060,440	2,289,555	145,463	57,814	2,697	2,129
Bed Taxes-Monthly & Quarterly	510,778	656,853	661,146	653,636	661,293	677,752	482,639	336,940	-	-	-
Insurance: PL/GL, Property, Other Insurance	304,400	296,949	584,293	281,000	281,000	189,677	77,521	-	-	-	-
Workers' Comp Insurance	296,276	317,788	329,432	74,447	521,134	655,383	191,477	-	-	-	58,710
EE Benefits and 401k	248,093	824,584	934,922	881,115	773,657	751,325	412,561	79,701	46,466	-	-
Patient Refunds, Resident Trust Payments to Greystone	54,671	113,130	132,141	138,929	113,169	96,158	65,654	22,609	-	-	24,150
Illinois Department of Health and Family Services Audit-Peoria & CMP Payments	-	-	-	-	-	-	-	119,490	-	23,007	18,905
Receiver and Legal Fees	-	-	-	-	-	-	-	24,455	74,974	13,496	12,265
RR Marketing	37,500	-	-	-	-	-	-	-	-	-	-
Accounts Payable Subtotal	<u>5,477,633</u>	<u>16,895,049</u>	<u>17,146,450</u>	<u>17,652,855</u>	<u>16,782,934</u>	<u>17,289,001</u>	<u>10,055,223</u>	<u>1,618,196</u>	<u>1,000,711</u>	<u>110,653</u>	<u>174,150</u>
Payroll											
Payroll Pay Dates 8/21/18 through 11/30/2020	<u>3,030,311</u>	<u>9,013,758</u>	<u>7,996,994</u>	<u>9,331,718</u>	<u>8,653,843</u>	<u>10,307,531</u>	<u>6,079,064</u>	<u>176,838</u>	<u>110,953</u>	<u>8,351</u>	<u>8,979</u>
Total Disbursements	<u>\$ 8,507,944</u>	<u>\$ 25,908,807</u>	<u>\$ 25,143,444</u>	<u>\$ 26,984,572</u>	<u>\$ 25,436,777</u>	<u>\$ 27,596,533</u>	<u>\$ 16,134,287</u>	<u>\$ 1,795,034</u>	<u>\$ 1,111,664</u>	<u>\$ 119,004</u>	<u>\$ 183,129</u>
Increase (Decrease) in Cash	<u>\$ 1,088,332</u>	<u>\$ (308,140)</u>	<u>\$ 345,548</u>	<u>\$ (1,034,844)</u>	<u>\$ 2,312,753</u>	<u>\$ (1,177,276)</u>	<u>\$ 174,629</u>	<u>\$ 444,230</u>	<u>\$ (535,567)</u>	<u>\$ 44,456</u>	<u>\$ 137,765</u>
Bank Balance End of Period, Operating Cash (A)	\$ 1,449,461	\$ 1,141,322	\$ 1,486,871	\$ 452,027	\$ 2,764,779	\$ 1,587,504	\$ 1,762,133	\$ 715,328	\$ 179,761	\$ 224,218	\$ 361,982
Less: Outstanding Checks	(995,027)	(761,462)	(201,340)	(94,219)	(2,104,357)	(206,148)	(868,129)	(163,111)	(53,416)	(8,365)	(17,248)
Book Balance End of Period, Operating Cash	<u>\$ 454,435</u>	<u>\$ 379,860</u>	<u>\$ 1,285,530</u>	<u>\$ 357,808</u>	<u>\$ 660,423</u>	<u>\$ 1,381,355</u>	<u>\$ 894,004</u>	<u>\$ 552,217</u>	<u>\$ 126,346</u>	<u>\$ 215,853</u>	<u>\$ 344,734</u>
Add: Amounts Due To Transferee [2] (B)								\$ 1,511,238	\$ 16,694	\$ 4,776	\$ 75,330
Bank Balance End of Period (A) + (B)								<u>\$ 2,226,565.97</u>	<u>\$ 196,455.46</u>	<u>\$ 228,993.48</u>	<u>\$ 437,312.36</u>

[1] Miscellaneous Cash Receipts includes a workers compensation premium refund, a utility deposit refund, various proceeds from equipment sales, and vendor payment reimbursements from Transferee.

[2] The amount at June 30, 2020 represents amounts due to Transferee for accounts receivable cash collections in the month of June 2020.
The amount at July 31, 2020 represents amounts due to Transferee for accounts receivable cash collections in the months of June and July 2020.
The amount at August 31, 2020 represents amounts due to Transferee for accounts receivable cash collections in the months of June, July and August 2020.
The amount at September 30, 2020 represents amounts due to Transferee for accounts receivable cash collections in the last (8) days of September 2020.
The amount at October 31, 2020 represents amounts due to Transferee for accounts receivable cash collections in the last (10) days of October 2020.
The amount at November 30, 2020 represents amounts due to Transferee for accounts receivable cash collections in the last (11) days of November 2020.

Long Hill at Rosewood, LLC
Schedule of HUD Advances
Receiver Period 8/21/18 - 1/7/2021

9/19/18	\$ 2,815,275.41
10/4/18	1,861,739.70
11/13/18	1,029,589.05
12/6/18	1,504,019.69
12/28/18	530,627.87
1/14/19	1,227,053.25
2/4/19	1,478,871.56
2/7/19	1,825,810.38
3/25/19	1,513,164.29
4/15/19	1,175,796.30
5/17/19	1,164,287.95
6/14/19	1,094,702.12
7/5/19	1,311,789.94
8/5/19	1,436,320.92
8/22/19	1,752,783.99
9/18/19	778,971.16
10/10/19	1,606,120.79
11/5/19	908,505.23
11/22/19	1,696,846.09
12/16/19	1,202,784.76
1/10/2020	2,150,000.00
2/13/2020 HUD Winddown Funding	1,952,338.16
2/26/2020 HUD Winddown Funding	1,977,884.81
3/11/2020 HUD Winddown Funding	680,568.73
3/26/2020 HUD Winddown Funding	468,124.36
4/22/2020 HUD Winddown Funding	425,643.25
5/14/2020 HUD Winddown Funding	605,454.11
6/17/2020 HUD Winddown Funding	472,336.66
9/4/2020 Funding Return to HUD	(100,000.00)
Total 8/21/18 - 11/30/2020	\$ 36,547,410.53
Total 8/21/18 - 1/7/2021	\$ 36,547,410.53



580 Long Hill Avenue • Shelton, CT 06484
Telephone 203.944.8283
Fax 203.925.2667
www.longhillcompany.com

January 30, 2020

Nicole M. Johnson
Office of Healthcare Programs
U.S. Department of Housing & Urban Development
451 7th Street SW, Room 6264
Washington, DC 20410

Re: United States of America v.
Alton Real Estate, Inc., et al. (Case 1:18-cv-05625)

Dear Ms. Johnson,

Current Engagement:

As you know, The Long Hill Company ("Long Hill") has served as receiver for the long-term care facilities operated by Alton Real Estate, Inc. et al. (collectively, "Rosewood") subject to a Final Order Appointing Receiver entered on September 7, 2018 (including any amendments and modifications thereto, the "Order"). During this time, we have worked to stabilize operations, improve census levels and prepare the operation for third party sale. We are pleased that the transaction is contemplated to close on or about February 1, 2020 and have worked diligently to integrate the new operator to facilitate a successful closing and smooth transition.

Post-Closing and Winddown Activities:

As a part of this transaction, the Operating Transfer Agreements ("OTAs") include provisions which require Long Hill to remain as receiver and in control over receipt accounts for up to 12-months post-closing. This provision allows adequate time for the new operator to successfully reroute resident service receipts into accounts under its control, and to allow ample time for Long Hill to collect accounts receivable and remit to HUD and manage the wind down of the receivership estate and discharge its receiver duties. During this period, Long Hill will continue to oversee Midwest Administrative Services, Inc. (MAS), the administrative processor of Rosewood, and retain any necessary vendors, consultants and counsel to accomplish the following tasks:

1. Billing of final period under Rosewood control and rebilling as necessary for receivership periods of operation.
2. Collection of receivership accounts receivable.

3. Processing of Final Rosewood Payroll.
4. Overseeing the filing of final Medicaid and Medicare cost reports, as necessary.
5. Oversee the filing of the payroll-based journal.
6. Processing of Forms W-2 and 1099, as necessary.
7. Termination of MAS staff as warranted based upon workload.
8. Preparation of ongoing reconciliations with new operator, including but not limited to cash receipts and resident trust funds.
9. Processing vendor claims during receivership period.
10. Preparation of final accounting for the receivership.
11. Noticing claimants, as required.
12. Winding down the legal entities, if necessary.
13. Managing unforeseen receivership matters, as necessary to successfully close the receivership and discharge receiver duties under the Final Order.

Post-Closing Professional Fee Estimates:

Since the start of our receivership, our professional fees have averaged \$193,030 per month as compared to our budget of \$213,900 per month as included in the final court order. We have billed under budget by \$20,870 per month on average, or \$354,790 during the 17-month period.

In the post-closing period, we expect that our fees will be reduced substantially as our financial and administrative professionals will be responsible for this period and our field operations team will be reassigned. The average receivership fees of the 12-month post-closing period are estimated to be approximately \$70,000 per month, representing a \$123,030 or 64% reduction from the average professional fees of the receivership period. Please understand that our professional fees in the post-closing period are expected to be greater in the first 3 months (although still less than the pre-closing period) and then reduce during the remaining nine months, unless unexpected events occur.

Sincerely,



David M. Lawlor
President and CEO

c: Gregory Thome
Jay Nickse